

UNIFIED SCHOOL DISTRICT NO. 387

Altoona, Kansas

Financial Statements
and
Supplemental Information
with

Report of Independent Auditors

For the Year Ended June 30, 2010

Unified School District No. 387
Altoona, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2010

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Unified School District No. 387
Altoona, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 387
Altoona, Kansas

We have audited the accompanying statutory basis financial statements of Unified School District No. 387 Altoona, Kansas, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 387's, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Unified School District No. 387, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The differences between this regulatory basis of accounting and accounting principles generally accepted in the United States of America are also described in Note 1.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 387 as of June 30, 2010, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 387, as of June 30, 2010, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 387's statutory basis financial statements. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 387, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

March 30, 2011

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Unified School District No. 387
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2010

Statement 1

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$	19	1,920,145	1,920,143	21	85,365	85,386
Supplemental General	(2)	74,478	444	499,443	475,270	99,095	26,105	125,200
Special Revenue:								
At Risk (4 Year Old)	(2)	54,583	50	50,001	25,998	78,636		78,636
At Risk (K-12)		58,930		198,681	162,806	94,805	889	95,694
Capital Outlay		645,805		104,716	22,605	727,916	5,355	733,271
Driver Training		7,558		5,787	3,959	9,386		9,386
Food Service	(2)	47,135	17	147,158	137,979	56,331	18,402	74,733
Professional Development		20,494		5,000	2,519	22,975	268	23,243
Special Education		223,449		301,224	286,887	237,786	57,780	295,566
Vocational Education		79,400		132,862	118,685	93,577	601	94,178
Gifts and Grants		14,075		566	3,589	11,052	599	11,651
KPERS Special Retirement Contribution				47,487	89,978	(42,491)		(42,491)
Contingency Reserve		217,843				217,843		217,843
21st Century Community Learning Centers		1				1		1
Rural Education Achievement Program				9,900	10,800	(900)		(900)
Special Mini-Grants		3		989	992			
Low Income ESEA (Title I)		1		56,492	56,492	1	47	48
Improving Teacher Quality (Title II-A)		15		6,218	6,233		1,894	1,894
Concurrent Classes		41		10,656	10,697			
Gate Receipts		1,150		7,491	8,135	506		506
Special Projects		2,716		9,732	9,972	2,476		2,476
Total Primary Government (1)		<u>1,447,677</u>	<u>530</u>	<u>3,514,548</u>	<u>3,353,739</u>	<u>1,609,016</u>	<u>197,305</u>	<u>1,806,321</u>
Composition of Cash:								
Demand Deposits								1,675,739
Due from St of Ks (Recognized per KSA 10-1116a)								152,563
Less: Agency Funds per Statement 4								(21,981)
Total Primary Government (1)								<u>1,806,321</u>

(1) Excluding Agency Funds

(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

See accompanying notes to financial statements

Unified School District No. 387
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
For the Year Ended June 30, 2010

Statement 2

		<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:							
General	\$	1,939,436	(19,293)		1,920,143	1,920,143	
Supplemental General		560,000			560,000	475,270	84,730
Special Revenue:							
At Risk (4 Year Old)		79,582			79,582	25,998	53,584
At Risk (K-12)		213,930			213,930	162,806	51,124
Capital Outlay		695,000			695,000	22,605	672,395
Driver Training		8,058			8,058	3,959	4,099
Food Service		172,720		16,819	189,539	137,979	51,560
Professional Development		30,494			30,494	2,519	27,975
Special Education		426,418			426,418	286,887	139,531
Vocational Education		156,072		1,723	157,795	118,685	39,110
Gifts and Grants		20,000			20,000	3,589	16,411
KPERS Special Retirement Contribution		125,965			125,965	89,978	35,987
Totals		<u>4,427,675</u>	<u>(19,293)</u>	<u>18,542</u>	<u>4,426,924</u>	<u>3,250,418</u>	<u>1,176,506</u>

See accompanying notes to financial statements

General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 590,096	510,769	501,910	8,859
Delinquent Taxes	3,871	2,217	3,390	(1,173)
Total Revenue from Local Sources	<u>593,967</u>	<u>512,986</u>	<u>505,300</u>	<u>7,686</u>
Revenue from State Sources				
State Financial Aid	1,278,481	1,097,367	1,087,598	9,769
Mineral Production Tax	39,633	10,414	30,000	(19,586)
Slider	191			
Special Education Aid	266,166	204,348	202,215	2,133
Total Revenue from State Sources	<u>1,584,471</u>	<u>1,312,129</u>	<u>1,319,813</u>	<u>(7,684)</u>
Revenue from Federal Sources				
ARRA Grant		95,030	95,030	
Total Cash Receipts	<u>2,178,438</u>	<u>1,920,145</u>	<u>1,920,143</u>	<u>2</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	713,789	690,974	730,000	39,026
Group Insurance	24,345	23,683	26,000	2,317
Social Security Contributions	51,659	50,498	52,000	1,502
Other Employee Benefits	22,052	25,289	24,000	(1,289)
Purchased Professional and Technical Services	3,688	500	3,000	2,500
Other Miscellaneous Purchased Services	2,596	2,093	2,600	507
General Supplies and Materials	35,808	23,991	39,000	15,009
Textbooks	2,604	2,012	10,000	7,988
Property (Equipment & Furnishings)	3,524	22,331	5,000	(17,331)
Other	16,810	8,597	20,000	11,403
Total Instruction	<u>876,875</u>	<u>849,968</u>	<u>911,600</u>	<u>61,632</u>
Support Services - Students				
Certified Salaries	58,160	53,448	60,000	6,552
Group Insurance	2,400	2,400	2,500	100
Social Security Contributions	3,200	3,057	3,300	243
Other Employee Benefits	776	642	800	158
Purchased Professional and Technical Services			8,500	8,500
Supplies and Materials	413	487	500	13
Other	553	225	550	325
Total Support Services - Students	<u>65,502</u>	<u>60,259</u>	<u>76,150</u>	<u>15,891</u>
Support Services - Instructional Staff				
Certified Salaries	21,496	21,829	22,000	171
Non-Certified Salaries	12,509	13,259	13,000	(259)
Social Security Contributions	2,601	2,677	2,700	23
Other Employee Benefits	431	506	450	(56)
Purchased Professional and Technical Services	599	599		(599)
Other Purchased Services			600	600
Books and Periodicals	1,039	489	1,000	511
Technology Supplies	137			
Miscellaneous Supplies	118		200	200
Property (Equipment & Furnishings)			1,000	1,000
Other	40	40		(40)
Total Support Services - Instructional Staff	<u>38,970</u>	<u>39,399</u>	<u>40,950</u>	<u>1,551</u>
Support Services - General Administration				
Certified Salaries	59,697	44,200	60,000	15,800
Non-Certified Salaries	58,160	53,196	60,000	6,804
Group Insurance	4,440	2,240	4,500	2,260
Social Security Contributions	8,821	7,348	9,000	1,652
Other Employee Benefits	1,504	10,530	11,150	620
Purchased Professional and Technical Services		7,588		(7,588)

See accompanying notes to financial statements

General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year			Variance Favorable (Unfavor)
		Prior Year Actual	Current Year Actual	Budget	
Insurance Services	\$	31,267	272	18,000	17,728
Communication Services		4,492	3,541	4,500	959
Other Miscellaneous Purchased Services		316	178	320	142
Supplies and Materials		10,545	940	10,000	9,060
Property (Equipment & Furnishings)			915		(915)
Other		6,944	6,078	7,000	922
Total Support Services - General Administration		<u>186,186</u>	<u>137,026</u>	<u>184,470</u>	<u>47,444</u>
Support Services - School Administration					
Certified Salaries		106,493	99,645	105,000	5,355
Non-Certified Salaries		30,904	23,277	30,000	6,723
Group Insurance		4,440	2,880	4,500	1,620
Social Security Contributions		10,045	9,155	10,000	845
Other Employee Benefits		4,689	12,939	8,500	(4,439)
Communication Services		4,416	4,357	4,500	143
Supplies and Materials		747	1,107	800	(307)
Other		1,401	1,728	1,500	(228)
Total Support Services - School Administration		<u>163,135</u>	<u>155,088</u>	<u>164,800</u>	<u>9,712</u>
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		69,325	73,173	70,000	(3,173)
Group Insurance		6,735	7,200	6,800	(400)
Social Security Contributions		5,100	5,213	5,200	(13)
Other Employee Benefits		999	1,532	1,000	(532)
Water/Sewer Services (Non-Energy)		5,493	3,995	6,000	2,005
Repairs and Maintenance Services		17,404	22,953	19,000	(3,953)
Repair of Buildings			19,463		(19,463)
Insurance Services		485	18,311	500	(17,811)
Other Miscellaneous Purchased Services		5,144	5,225	6,000	775
General Supplies and Materials		24,465	25,752	25,000	(752)
Heating		31,885	22,524	39,250	16,726
Electricity		37,107	32,187	43,946	11,759
Motor Fuel		1,376	966	2,000	1,034
Property (Equipment & Furnishings)		6,996		7,000	7,000
Other		155	30	200	170
Total Support Services - Plant Operation and Maintenance		<u>212,669</u>	<u>238,524</u>	<u>231,896</u>	<u>(6,628)</u>
Vehicle Operation Services					
Non-Certified Salaries		54,293	53,702	55,000	1,298
Group Insurance		5,400	5,400	5,500	100
Social Security Contributions		3,858	3,656	3,900	244
Other Employee Benefits		705	817	710	(107)
Insurance Services		5,473	5,408	5,500	92
Motor Fuel		29,359	28,390	30,000	1,610
Total Vehicle Operation Services		<u>99,088</u>	<u>97,373</u>	<u>100,610</u>	<u>3,237</u>
Vehicle Servicing and Maintenance Services					
Purchased Professional and Technical Services		9,181	6,871	10,000	3,129
Supplies and Materials		4,693	2,006	4,500	2,494
Other		792	992	800	(192)
Total Vehicle Servicing and Maintenance Services		<u>14,666</u>	<u>9,869</u>	<u>15,300</u>	<u>5,431</u>
Vehicle Servicing and Maintenance Services					
Supplies and Materials				3,500	3,500
Other				1,000	1,000
Total Vehicle Servicing and Maintenance Services				<u>4,500</u>	<u>4,500</u>
Other Student Transportation Services					
Other		1,392	1,762		(1,762)
Fund Transfers					
Capital Outlay		17,559	40,500		(40,500)
Special Education		266,166	204,675	203,000	(1,675)
Vocational Education		18,018	50,000	6,160	(43,840)
Contingency Reserve		77,384			

See accompanying notes to financial statements

General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
At Risk (4yr Old)	\$		15,000	
At Risk (K-12)		140,830	20,700	
Total Fund Transfers		519,957	330,875	209,160
Budget Adjustments				
Legal Max Adjustment				(19,293)
Total Expenditures and Transfers		2,178,440	1,920,143	1,920,143
Receipts Over (Under)				
Unencumbered Cash, Beginning		2		
Expenditures and Transfers	(2)	2	
Prior Year Encumbrances Cancelled			19	
Unencumbered Cash, Ending			21	

See accompanying notes to financial statements

Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 490,506	465,022	444,556	20,466
Delinquent Taxes	3,877	3,606	3,102	504
Total Revenue from Local Sources	494,383	468,628	447,658	20,970
Revenue from County Sources				
Motor Vehicle Tax	28,539	30,392	38,225	(7,833)
Recreational Vehicle Tax	503	423	604	(181)
Total Revenue from County Sources	29,042	30,815	38,829	(8,014)
Revenue from State Sources				
Slider	758			
Total Cash Receipts	524,183	499,443	486,487	12,956
Expenditures and Transfers				
Instruction				
Purchased Professional and Technical Services	3,520	3,368	4,000	632
Tuitions	10,776			
To Other LEA's Within the State			11,000	11,000
Supplies and Materials			8,000	8,000
General Supplies and Materials	7,132	3,911		(3,911)
Property (Equipment & Furnishings)	20,856	450	40,000	39,550
Other	6,138	3,550		(3,550)
Total Instruction	48,422	11,279	63,000	51,721
Support Services - Students				
Purchased Professional and Technical Services	14,108	17,773	15,000	(2,773)
Support Services - Instructional Staff				
Purchased Professional and Technical Services	2,150	2,185	3,000	815
Property (Equipment & Furnishings)	5,145		6,000	6,000
Total Support Services - Instructional Staff	7,295	2,185	9,000	6,815
Support Services - General Administration				
Property (Equipment & Furnishings)	978		1,000	1,000
Support Services - School Administration				
Supplies and Materials		163		(163)
Support Services - Plant Operation and Maintenance				
Purchased Property Services	41,347			
Other Purchased Property Services		508	50,000	49,492
Other Miscellaneous Purchased Services	1,850	225	2,000	1,775
Supplies and Materials	2,289	1,332		(1,332)
General Supplies and Materials			3,000	3,000
Heating		2,859	16,995	14,136
Electricity		2,978	15,000	12,022
Property (Equipment & Furnishings)			15,000	15,000
Other		1,850		(1,850)
Total Support Services - Plant Operation and Maintenance	45,486	9,752	101,995	92,243
Vehicle Operation Services				
Equipment			84,488	84,488
Fund Transfers				
Driver Training	3,000	5,000		(5,000)
Food Service	25,000	35,000	25,000	(10,000)
Professional Development	8,000	5,000	10,000	5,000
Special Education	100,000	95,000		(95,000)
Vocational Education	80,000	81,138	70,517	(10,621)
At Risk (4yr Old)	40,000	35,000	25,000	(10,000)
At Risk (K-12)	77,711	177,980	155,000	(22,980)
Total Fund Transfers	333,711	434,118	285,517	(148,601)
Total Expenditures and Transfers	450,000	475,270	560,000	84,730

See accompanying notes to financial statements

Unified School District No. 387
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Receipts Over (Under)				
Expenditures and Transfers	\$	74,183	24,173	
Unencumbered Cash, Beginning		87	74,478	
Prior Year Encumbrances Cancelled		208	444	
Unencumbered Cash, Ending		<u>74,478</u>	<u>99,095</u>	

See accompanying notes to financial statements

At Risk (4 Year Old) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$	15,000		15,000
Transfer from Supplemental General Fund	40,001	35,001	25,000	10,001
Total Cash Receipts	40,001	50,001	25,000	25,001
Expenditures and Transfers				
Instruction				
Certified Salaries	6,891	10,053	20,000	9,947
Group Insurance	2,780	3,170	5,000	1,830
Social Security Contributions	2,689	2,930	4,000	1,070
Other Employee Benefits	80	149	200	51
General Supplies and Materials	1,820	274	15,000	14,726
Property (Equipment & Furnishings)	1,008		23,382	23,382
Other	214		1,000	1,000
Total Instruction	15,482	16,576	68,582	52,006
Vehicle Operation Services				
Non-Certified Salaries	5,661	5,804	6,000	196
Social Security Contributions	403	381		(381)
Other Employee Benefits	65	99	1,000	901
Motor Fuel	3,807	3,138		(3,138)
Other			4,000	4,000
Total Vehicle Operation Services	9,936	9,422	11,000	1,578
Total Expenditures and Transfers	25,418	25,998	79,582	53,584
Receipts Over (Under)				
Unencumbered Cash, Beginning	40,000	54,583		
Expenditures and Transfers	14,583	24,003		
Prior Year Encumbrances Cancelled		50		
Unencumbered Cash, Ending	54,583	78,636		

See accompanying notes to financial statements

At Risk (K-12) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 140,830	20,700		20,700
Transfer from Supplemental General Fund	77,711	177,981	155,000	22,981
Total Cash Receipts	<u>218,541</u>	<u>198,681</u>	<u>155,000</u>	<u>43,681</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	168,592	132,106	175,000	42,894
Non-Certified Salaries	8,230	5,110	9,000	3,890
Group Insurance	6,420	5,256	7,000	1,744
Social Security Contributions	12,964	9,887	12,430	2,543
Other Employee Benefits	9,019	10,179	9,000	(1,179)
General Supplies and Materials	1,398	222	1,500	1,278
Other		46		(46)
Total Expenditures and Transfers	<u>206,623</u>	<u>162,806</u>	<u>213,930</u>	<u>51,124</u>
Receipts Over (Under)				
Unencumbered Cash, Beginning	47,012	58,930		
Expenditures and Transfers	<u>11,918</u>	<u>35,875</u>		
Unencumbered Cash, Ending	<u>58,930</u>	<u>94,805</u>		

See accompanying notes to financial statements

Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Delinquent Taxes	\$ 2			
Earnings on Investments	31,178	25,991	30,000	(4,009)
Other Revenue From Local Sources	23,715	38,225	25,000	13,225
Total Revenue from Local Sources	<u>54,895</u>	<u>64,216</u>	<u>55,000</u>	<u>9,216</u>
Operating Transfers				
Transfer from General Fund	17,559	40,500		40,500
Total Cash Receipts	<u>72,454</u>	<u>104,716</u>	<u>55,000</u>	<u>49,716</u>
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)	<u>22,997</u>	<u>13,345</u>	<u>100,000</u>	<u>86,655</u>
Support Services - Plant Operation and Maintenance				
Property (Equipment & Furnishings)		<u>1,833</u>	<u>100,000</u>	<u>98,167</u>
Student Transportation Services				
Property (Equipment & Furnishings)			<u>150,000</u>	<u>150,000</u>
Facilities Acquisition and Construction Services				
Site Improvement Services		2,072		(2,072)
Building Repair and Remodeling		<u>5,355</u>	<u>345,000</u>	<u>339,645</u>
Total Facilities Acquisition and Construction Services		<u>7,427</u>	<u>345,000</u>	<u>337,573</u>
Total Expenditures and Transfers	<u>22,997</u>	<u>22,605</u>	<u>695,000</u>	<u>672,395</u>
Receipts Over (Under)				
Expenditures and Transfers	49,457	82,111		
Unencumbered Cash, Beginning	<u>596,348</u>	<u>645,805</u>		
Unencumbered Cash, Ending	<u>645,805</u>	<u>727,916</u>		

Driver Training Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$	336		336
Revenue from State Sources				
State Financial Aid			500	(500)
Other State Aid	266	450		450
Total Revenue from State Sources	266	450	500	(50)
Operating Transfers				
Transfer from Supplemental General Fund	3,000	5,001		5,001
Total Cash Receipts	3,266	5,787	500	5,287
Expenditures and Transfers				
Instruction				
Certified Salaries	3,000	3,000	4,000	1,000
Social Security Contributions	230	230	500	270
Other Employee Benefits	83	60	100	40
General Supplies and Materials			2,458	2,458
Property (Equipment & Furnishings)	314			
Total Instruction	3,627	3,290	7,058	3,768
Vehicle Operation and Maintenance Services				
Purchased Professional and Technical Services		410		(410)
Motor Fuel	136	259	1,000	741
Total Vehicle Operation and Maintenance Services	136	669	1,000	331
Total Expenditures and Transfers	3,763	3,959	8,058	4,099
Receipts Over (Under)				
Expenditures and Transfers	(497)	1,828		
Unencumbered Cash, Beginning	8,055	7,558		
Unencumbered Cash, Ending	7,558	9,386		

See accompanying notes to financial statements

Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Earnings on Investments	\$ 829	721	693	28
Student Sales	27,231	25,216	24,749	467
Adults and Non-Reimbursable Programs	10,116	10,610	16,479	(5,869)
Other Revenue From Local Sources	4	37		37
Total Revenue from Local Sources	<u>38,180</u>	<u>36,584</u>	<u>41,921</u>	<u>(5,337)</u>
Revenue from State Sources				
Other State Aid	<u>1,216</u>	<u>1,222</u>	<u>1,239</u>	<u>(17)</u>
Revenue from Federal Sources				
Passed Through State of Kansas	<u>62,498</u>	<u>74,352</u>	<u>57,533</u>	<u>16,819</u>
Operating Transfers				
Transfer from Supplemental General Fund	<u>25,000</u>	<u>35,000</u>	<u>25,000</u>	<u>10,000</u>
Total Cash Receipts	<u>126,894</u>	<u>147,158</u>	<u>125,693</u>	<u>21,465</u>
Expenditures and Transfers				
Support Services - Plant Operation and Maintenance				
Non-Certified Salaries	7,786	7,757	8,000	243
Social Security Contributions	573	549	600	51
Other Employee Benefits	<u>107</u>	<u>120</u>	<u>120</u>	
Total Support Services - Plant Operation and Maintenance	<u>8,466</u>	<u>8,426</u>	<u>8,720</u>	<u>294</u>
Food Service Operations				
Non-Certified Salaries	54,960	55,130	55,000	(130)
Social Security Contributions	4,201	4,224	4,500	276
Other Employee Benefits	729	875	1,000	125
Food and Milk	49,823	59,284	67,000	7,716
Miscellaneous Supplies	3,746	2,620	4,500	1,880
Property (Equipment & Furnishings)		1,216	29,000	27,784
Other	<u>3,679</u>	<u>6,204</u>	<u>3,000</u>	<u>(3,204)</u>
Total Food Service Operations	<u>117,138</u>	<u>129,553</u>	<u>164,000</u>	<u>34,447</u>
Budget Credit Adjustment			<u>16,819</u>	<u>16,819</u>
Total Expenditures and Transfers	<u>125,604</u>	<u>137,979</u>	<u>189,539</u>	<u>51,560</u>
Receipts Over (Under)				
Expenditures and Transfers	1,290	9,179		
Unencumbered Cash, Beginning	45,793	47,135		
Prior Year Encumbrances Cancelled	<u>52</u>	<u>17</u>		
Unencumbered Cash, Ending	<u>47,135</u>	<u>56,331</u>		

See accompanying notes to financial statements

Unified School District No. 387
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 241			
Operating Transfers				
Transfer from Supplemental General Fund	8,001	5,000	10,000	(5,000)
Total Cash Receipts	<u>8,242</u>	<u>5,000</u>	<u>10,000</u>	<u>(5,000)</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	600	675	5,000	4,325
Group Insurance			500	500
Social Security Contributions	46	52	500	448
Other Employee Benefits	21	19	100	81
Purchased Professional and Technical Services			10,000	10,000
Technology Supplies			8,000	8,000
Miscellaneous Supplies			1,394	1,394
Other	1,393	1,773	5,000	3,227
Total Expenditures and Transfers	<u>2,060</u>	<u>2,519</u>	<u>30,494</u>	<u>27,975</u>
Receipts Over (Under)				
Expenditures and Transfers	6,182	2,481		
Unencumbered Cash, Beginning	<u>14,312</u>	<u>20,494</u>		
Unencumbered Cash, Ending	<u>20,494</u>	<u>22,975</u>		

See accompanying notes to financial statements

Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$	1,550		1,550
Operating Transfers				
Transfer from General Fund	266,166	204,674	203,000	1,674
Transfer from Supplemental General Fund	100,000	95,000		95,000
Total Operating Transfers	366,166	299,674	203,000	96,674
Total Cash Receipts	366,166	301,224	203,000	98,224
Expenditures and Transfers				
Instruction				
Certified Salaries	2,297	3,351	2,500	(851)
Group Insurance	927	1,057	1,000	(57)
Social Security Contributions	896	977	950	(27)
LEA Payments to COOP (Local Share)	77,275	74,972	100,000	25,028
LEA Payments to COOP (Flowthrough)	239,229	186,367	250,000	63,633
General Supplies and Materials	1,430	15	5,000	4,985
Textbooks			1,000	1,000
Miscellaneous Supplies		569	2,000	1,431
Total Instruction	322,054	267,308	362,450	95,142
Vehicle Operation Services				
Non-Certified Salaries	12,141	10,675	20,000	9,325
Social Security Contributions	928	808	2,000	1,192
Other Employee Benefits	191	142	500	358
Insurance Services	360	347	1,000	653
Motor Fuel	2,964	2,354	5,000	2,646
Equipment			18,968	18,968
Total Vehicle Operation Services	16,584	14,326	47,468	33,142
Vehicle Servicing and Maintenance Services				
Purchased Professional and Technical Services	386	190	1,000	810
Supplies and Materials		4		(4)
Other	268	101	500	399
Total Vehicle Servicing and Maintenance Services	654	295	1,500	1,205
Other Student Transportation Services				
Other	13,778	4,958	15,000	10,042
Total Expenditures and Transfers	353,070	286,887	426,418	139,531
Receipts Over (Under)				
Expenditures and Transfers	13,096	14,337		
Unencumbered Cash, Beginning	210,322	223,449		
Prior Year Encumbrances Cancelled	31			
Unencumbered Cash, Ending	223,449	237,786		

Unified School District No. 387
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Reimbursements	\$	512		512
Other Sources				
Reimbursements	14	1,211		1,211
Operating Transfers				
Transfer from General Fund	18,018	50,000	6,160	43,840
Transfer from Supplemental General Fund	80,001	81,139	70,517	10,622
Total Operating Transfers	98,019	131,139	76,677	54,462
Total Cash Receipts	98,033	132,862	76,677	56,185
Expenditures and Transfers				
Instruction				
Certified Salaries	63,482	91,233	96,000	4,767
Non-Certified Salaries	3,600		4,000	4,000
Group Insurance		3,600		(3,600)
Social Security Contributions	4,664	6,640	7,000	360
Other Employee Benefits	1,211	6,627	1,500	(5,127)
General Supplies and Materials	3,764	3,734	5,000	1,266
Property (Equipment & Furnishings)	1,523	1,034	34,672	33,638
Total Instruction	78,244	112,868	148,172	35,304
Support Services - Plant Operation and Maintenance				
Repairs and Maintenance Services		379		(379)
Other Purchased Services	420	420	500	80
Heating	3,486	2,582	4,200	1,618
Electricity	2,489	2,436	3,200	764
Total Support Services - Plant Operation and Maintenance	6,395	5,817	7,900	2,083
Budget Credit Adjustment			1,723	1,723
Total Expenditures and Transfers	84,639	118,685	157,795	39,110
Receipts Over (Under)				
Operating Transfers				
Unencumbered Cash, Beginning				
Operating Transfers				
Expenditures and Transfers	13,394	14,177		
Unencumbered Cash, Beginning	65,099	79,400		
Prior Year Encumbrances Cancelled	7			
Unencumbered Cash, Ending	79,400	93,577		

See accompanying notes to financial statements

Gifts and Grants Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Earnings on Investments	\$ 851	233		233
Donations	258	333	6,203	(5,870)
Total Cash Receipts	<u>1,109</u>	<u>566</u>	<u>6,203</u>	<u>(5,637)</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Supplies and Materials	606	599		(599)
Books and Periodicals	4,766		5,000	5,000
Technology Supplies	13,868	2,752	5,000	2,248
Property (Equipment & Furnishings)	18,479		10,000	10,000
Total Support Services - Instructional Staff	<u>37,719</u>	<u>3,351</u>	<u>20,000</u>	<u>16,649</u>
Food Service Operations				
Food and Milk		238		(238)
Total Expenditures and Transfers	<u>37,719</u>	<u>3,589</u>	<u>20,000</u>	<u>16,411</u>
Receipts Over (Under)				
Expenditures and Transfers	(36,610)	(3,023)		
Unencumbered Cash, Beginning	<u>50,685</u>	<u>14,075</u>		
Unencumbered Cash, Ending	<u>14,075</u>	<u>11,052</u>		

See accompanying notes to financial statements

Unified School District No. 387
KPERs Special Retirement Contribution Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 103,248	47,487	125,965	(78,478)
Total Cash Receipts	<u>103,248</u>	<u>47,487</u>	<u>125,965</u>	<u>(78,478)</u>
Expenditures and Transfers				
Instruction				
Employee Benefits	<u>66,493</u>	<u>54,347</u>	<u>79,965</u>	<u>25,618</u>
Support Services - Students				
Employee Benefits	<u>3,304</u>	<u>3,239</u>	<u>4,500</u>	<u>1,261</u>
Support Services - Instructional Staff				
Employee Benefits	<u>2,375</u>	<u>2,339</u>	<u>3,500</u>	<u>1,161</u>
Support Services - General Administration				
Employee Benefits	<u>8,053</u>	<u>8,098</u>	<u>10,000</u>	<u>1,902</u>
Support Services - School Administration				
Employee Benefits	<u>8,466</u>	<u>8,188</u>	<u>10,000</u>	<u>1,812</u>
Support Services - Plant Operation and Maintenance				
Employee Benefits	<u>5,988</u>	<u>4,769</u>	<u>7,000</u>	<u>2,231</u>
Student Transportation Services				
Employee Benefits	<u>4,646</u>	<u>5,219</u>	<u>6,000</u>	<u>781</u>
Food Service Operations				
Employee Benefits	<u>3,923</u>	<u>3,779</u>	<u>5,000</u>	<u>1,221</u>
Total Expenditures and Transfers	<u>103,248</u>	<u>89,978</u>	<u>125,965</u>	<u>35,987</u>
Receipts Over (Under)				
Expenditures and Transfers		(42,491)		
Unencumbered Cash, Beginning	<u> </u>	<u> </u>		
Unencumbered Cash, Ending	<u> </u>	<u>(42,491)</u>		

See accompanying notes to financial statements

Unified School District No. 387
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 77,384	
Total Cash Receipts	<u>77,384</u>	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	77,384	
Unencumbered Cash, Beginning	<u>140,459</u>	<u>217,843</u>
Unencumbered Cash, Ending	<u>217,843</u>	<u>217,843</u>

See accompanying notes to financial statements

Unified School District No. 387
21st Century Community Learning Centers Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	1	1
Unencumbered Cash, Ending	1	1

See accompanying notes to financial statements

Unified School District No. 387
Technology Literacy Challenge (Title II-D) Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 440	
Total Cash Receipts	<u>440</u>	
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)	<u>440</u>	
Total Expenditures and Transfers	<u>440</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

See accompanying notes to financial statements

Unified School District No. 387
Rural Education Achievement Program Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Direct From Federal Government	\$ 14,296	9,900
Total Cash Receipts	<u>14,296</u>	<u>9,900</u>
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	7,800	10,800
Property (Equipment & Furnishings)	<u>6,496</u>	<u> </u>
Total Expenditures and Transfers	<u>14,296</u>	<u>10,800</u>
Receipts Over (Under)		
Expenditures and Transfers		(900)
Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u>(900)</u>

See accompanying notes to financial statements

Unified School District No. 387
Special Mini-Grants Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from County Sources		
Passed Through State of Kansas	\$ 1,000	989
Total Cash Receipts	<u>1,000</u>	<u>989</u>
Expenditures and Transfers		
Instruction		
	<u>997</u>	<u>992</u>
Total Expenditures and Transfers	<u>997</u>	<u>992</u>
Receipts Over (Under)		
Expenditures and Transfers	3	(3)
Unencumbered Cash, Beginning		<u>3</u>
Unencumbered Cash, Ending	<u><u>3</u></u>	<u><u>3</u></u>

See accompanying notes to financial statements

Unified School District No. 387
Low Income ESEA (Title I) Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 46,088	47,073
ARRA Grant		9,419
Total Cash Receipts	<u>46,088</u>	<u>56,492</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	42,417	52,128
Social Security Contributions	3,247	3,977
Other Employee Benefits	41	59
Purchased Professional and Technical Services	230	235
General Supplies and Materials	<u>153</u>	<u>93</u>
Total Expenditures and Transfers	<u>46,088</u>	<u>56,492</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	<u>1</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>1</u></u>	<u><u>1</u></u>

See accompanying notes to financial statements

Unified School District No. 387
Improving Teacher Quality (Title II-A) Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 14,301	6,218
Total Cash Receipts	<u>14,301</u>	<u>6,218</u>
Expenditures and Transfers		
Instruction		
Certified Salaries		150
Social Security Contributions		11
Unemployment Compensation		1,908
Purchased Professional and Technical Services	13,586	2,917
Other Purchased Services	615	1,247
Other	100	
Total Expenditures and Transfers	<u>14,301</u>	<u>6,233</u>
Receipts Over (Under)		
Expenditures and Transfers		(15)
Unencumbered Cash, Beginning	<u>15</u>	<u>15</u>
Unencumbered Cash, Ending	<u>15</u>	<u></u>

See accompanying notes to financial statements

Unified School District No. 387
Kan-Ed Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from State Sources		
Other State Aid	\$ 3,000	
Total Cash Receipts	<u>3,000</u>	
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	<u>3,000</u>	
Total Expenditures and Transfers	<u>3,000</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

See accompanying notes to financial statements

Unified School District No. 387
Concurrent Classes Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 7,336	10,656
Total Cash Receipts	<u>7,336</u>	<u>10,656</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	7,333	10,656
Other Employee Benefits	<u>41</u>	<u>41</u>
Total Expenditures and Transfers	<u>7,333</u>	<u>10,697</u>
Receipts Over (Under)		
Expenditures and Transfers	3	(41)
Unencumbered Cash, Beginning	<u>38</u>	<u>41</u>
Unencumbered Cash, Ending	<u><u>41</u></u>	<u><u>41</u></u>

See accompanying notes to financial statements

Unified School District No. 387
 Altoona, Kansas
 Agency Funds
 Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2010

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Middle School:				
Student Council	\$ 18	1,282	1,299	1
Pep Club	30	1,803	1,569	264
Music Club	344	215	128	431
Library	1			1
RIF				
Cheerleader	717	441	734	424
High School:				
Class of '07	840		25	815
Class of '08	425			425
Class of '09	116		40	76
Class of '10	325	9,130	9,360	95
Class of '11	1,325	2,647	3,526	446
Class of '12	543	2,316	1,440	1,419
Class of '13		695	20	675
Cheerleader	1,327	4,452	5,151	628
Music/Band	2,822	166	505	2,483
KAYS	1,073	3,127	3,509	691
Student Council	1,776	3,701	5,153	324
FFA	283	3,879	3,853	309
Forensics	154	605	541	218
Drill Team	202		186	16
Art Club	680	1,004	710	974
Scholar Bowl	36			36
Occupational Home Ec.	166			166
FCCLA	1,202	1,185	1,643	744
Wrestler Scholarship	280			280
Total Student Organizations	14,685	36,648	39,392	11,941
Other Agency Funds:				
Board Funds:				
Clearing	1,621	3,151	2,671	2,101
Agency	6,030	70,506	68,598	7,938
Middle School:				
Sales Tax	1			1
High School:				
Sales Tax				
Total Other Agency Funds:	7,652	73,657	71,269	10,040
Total Agency Funds	22,337	110,305	110,661	21,981

See accompanying notes to financial statements.

Unified School District No. 387
 Altoona, Kansas
 District Activity Funds
 Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2010

Statement 5

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>						
Middle School: Athletics	\$ 1,149	1,660	2,304	505		505
High School: Athletics		5,831	5,831			
Subtotal Gate Receipts	1,149	7,491	8,135	505	0	505
<u>Special Projects:</u>						
Middle School: Clearing		107	107			
Partners in Education	314	575		889		889
High School: Library	521	2,433	2,708	246		246
Yearbook	1,790	4,561	5,155	1,196		1,196
Clearing	1	2,056	2,001	56		56
Football	11			11		11
Locks and Misc.						
Kansas Beef Account	80			80		80
Subtotal Special Projects	2,717	9,732	9,971	2,478	0	2,478
Total District Activity Funds	3,866	17,223	18,106	2,983	0	2,983

See accompanying notes to financial statements.

Unified School District No. 387
 Altoona, Kansas
 Statement of Changes in Long Term Debt
For the Year Ended June 30, 2010

Statement 6

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>
<u>OUTSTANDING OBLIGATIONS:</u>									
<u>General Obligation Bonds:</u>									
None									-
<u>Capital Leases:</u>									
None									-
<u>Early Retirement Plan:</u>									
Contract Liability					\$ 83,379			(4,136)	79,243
<u>POTENTIAL OBLIGATIONS:</u>									
<u>Compensated Absences:</u>									
Sick Leave Maximum Potential Liability					89,610			(797)	88,813
<u>Early Retirement Plan:</u>									
Maximum Potential Liability					50,390			(50,390)	-
					-				-
Total Long-Term Debt					<u>223,379</u>	<u>-</u>	<u>-</u>	<u>(55,323)</u>	<u>168,056</u>

See accompanying notes to financial statements.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

Altoona-Midway Unified School District No. 387 is a municipal corporation governed by an elected seven-member board. These financial statements present the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the school district for the year of 2010:

Governmental Funds:

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has obtained a waiver of generally accepted accounting principles from the State of Kansas which thereby requires this type of special reporting.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District made no such budget amendments during the 2010 fiscal year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

Contingency Reserve Fund
Rural Education Achievement Program Fund
Special Mini-Grants Fund
Low Income ESEA Title I Fund
Improving Teacher Quality (Title II-A) Grant Fund
Kan-Ed Fund
Concurrent Classes Fund
Gate Receipts Fund
Special Projects Fund

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 20th. Delinquent taxes are assessed interest at rates established by Kansas Statutes. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Vacation and Sick Pay

The school district's sick leave policy allows for tenured teachers to accumulate ten days sick leave per year to a maximum of sixty days. The school district pays tenured teachers for unused sick leave at termination or retirement up to a maximum of thirty days at the rate of \$35 per day. In addition, all teachers who have 30 days sick leave at the beginning of each fiscal period will be paid \$35 per day for any unused days accumulated during that fiscal period to a maximum of ten days. These days are still allowed to be accumulated to the maximum of sixty days.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The State of Kansas pays the employers share of Kansas Public Employee Retirement System (KPERS) for each unified school district throughout the state. The Kansas legislature, by statute, created a KPERS fund in each school district's accounting system. Each quarter, the State of Kansas automatically deposits then withdraws the KPERS amount attributable to each school district through each school district's KPERS fund. School district personnel have no control concerning these deposit and withdrawal transactions. As of June 30, 2010, the State of Kansas had not deposited nor withdrawn the KPERS amount attributable to Altoona-Midway Unified School District No. 387 in the amount of \$42,491. Since the liability was due and payable and the funds had not been received as of June 30, 2010, a cash basis violation resulted and is displayed as such in statement 1 in the amount of \$ (42,491). The State of Kansas subsequently deposited these funds in their entirety on July 7th and 8th.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

Deposits exceeded depository security at the State Bank of Kansas in the amount of \$1,656 as of June 30, 2010.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

Deposits and Investments

As of June 30, 2010, the school district held no investments.

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the school district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At June 30, 2010, the carrying amount of the school district's deposits was \$1,675,750 and the bank balance was \$1,924,500. Of the bank balance, \$265,933 was secured by federal depository insurance, \$1,456,911 was collateralized by securities held by the pledging financial institutions' agents in the school district's name, \$200,000 was secured by a letter of credit, and \$1,656 was unsecured.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles.

The School has waived compliance with Generally Accepted Accounting Principles until June 30, 2010, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (400 SW 8th Avenue, Suite 200; Topeka, KS 66603-2935) or by calling 1-800-228-0366.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. The State of Kansas contributed 8.57% of covered payroll for fiscal year 2010. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for the school's employees for the years ending June 30, 2010, 2009 and 2008 were \$248,468,183, \$242,277,363, and \$220,815,154 respectively, equal to the statutory required contributions for each year.

Other Employee Benefits

District policies allow employees to accumulate sick leave. Details of the maximum potential sick leave liability to the District are displayed at Statement 6.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

District policies allow certain employees to exercise an option to retire early. Details of contract (exercised options) and potential (unexercised options) are displayed at Statement 6.

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2010 was \$ \$20,760,344. There was no outstanding bonded indebtedness as of June 30, 2010. The resulting legal debt margin was \$ 2,906,448. The valuation of motor vehicles was not considered in the preceding computation.

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	At-Risk (4 Year Old) Fund	K.S.A. 72-6428	\$ 15,000
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	20,700
General Fund	Special Education Fund	K.S.A. 72-6428	204,674
General Fund	Vocational Education Fund	K.S.A. 72-6428	50,000
General Fund	Capital Outlay Fund	K.S.A. 72-6428	40,500
Supplemental General	Special Education Fund	K.S.A. 72-6433	95,000
Supplemental General	At-Risk (4 Year Old) Fund	K.S.A. 72-6433	35,000
Supplemental General	At-Risk (K-12) Fund	K.S.A. 72-6433	177,981
Supplemental General	Vocational Education Fund	K.S.A. 72-6433	81,139
Supplemental General	Driver Training Fund	K.S.A. 72-6433	5,000
Supplemental General	Food Service Fund	K.S.A. 72-6433	35,000
Supplemental General	Professional Development Fund	K.S.A. 72-6433	5,000

Note 4 Reconciliation of Statement 1 and 2

Total Expenditures per Statement 2	\$ 3,250,418
Plus Non Budgeted Funds:	
Rural Education Achievement Program Grant	10,800
Special Mini-Grant	992
Low Income ESEA Title I	56,492
Improving Teacher Quality (Title II-A) Grant	6,233
Concurrent Classes	10,697
Gate Receipts	8,135
Special Projects	<u>9,972</u>
Total Expenditures per Statement 1	<u>3,353,739</u>

Note 5 Joint Ventures

The School District is a participant in a joint venture agreement with seven other school districts for the operation of the ANW Special Education Cooperative. The Coop was formed under an inter-local agreement provided for by the Kansas Statutes. Each unified school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the coop is based upon full time enrollment plus other minor adjustment factors. The school district has an unrecorded value equity interest in the Coop which is based upon percentage of contribution. Complete separate statutory basis financial statements for the Coop are available at the ANW Special Education Cooperative administrative office at Humboldt, Kansas. The annual operations contribution to the Coop for the 2010 fiscal year by Unified School District No. 387 was in the amount

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

of \$ 261,339 (\$74,972 local contribution and \$186,367 flow-through) which represents 3.45% of all contributions made by the eight participating school districts.

Note 6 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 7 Federal Financial Assistance

During 2010, the School District received federal assistance from the following programs:

Department of Education

Passed through Kansas Department of Education

84.367 Title II Improving Teacher Quality	\$ 6,233
84.010 Low Income ESEA Title I	47,073
84.389 Low Income ESEA Title I - ARRA	9,419
84.394 States Fiscal Stabilization Fund	95,030

Direct from U S Department of Education

84.358 Rural Education Achievement Program	10,800
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Department of Agriculture

Passed through Kansas Department of Education

10.553/.555 School Breakfast and School Lunch	74,350
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Note 9 Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund and all other funds.

	<u>Total</u>	<u>State</u>		<u>Federal</u>	
	<u>Revenue</u>	<u>Aid</u>	<u>%</u>	<u>Aid</u>	<u>%</u>
General Fund	1,920,145	1,301,713	67.8	95,030	4.9
Supplemental General	499,443		0.0		-
Other Funds	1,094,960				
Less: Operating Transfers	<u>(764,993)</u>	<u>329,967</u>	<u>27.8</u>	<u>146,962</u>	<u>44.5</u>
Total All Funds	<u><u>2,749,555</u></u>	<u><u>1,393,363</u></u>	<u><u>50.7</u></u>	<u><u>241,992</u></u>	<u><u>8.8</u></u>

Note 10 Compliance with K.S.A. 10-1116a(b), K.S.A 72-6417(d) and K.S.A. 72-6434(d)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the School District to record any payment of General State Aid that is due to be paid during the month of June, but is not paid to the School District until after June 30, as a receipt for the fiscal year ending on June 30. The amount of this payment due to the school district's general fund was \$152,563. This amount is displayed in the composition of cash section in statement 1 as "Due from the State of Kansas".

Unified School District No. 387
Altoona, Kansas
Schedule of Insurance Policies in Force
March 29, 2011

<u>Name</u>	<u>Policy Number</u>	<u>Expires</u>	<u>Coverage</u>
<u>Employer Mutual Casualty Company</u>			
Commercial General Liability			
General Aggregate Limit (Other than PCO)		\$	1,000,000
Products-Completed Operation Aggregate Limit			1,000,000
Personal and Advertising Injury Limit			500,000
Each Occurrence Limit			500,000
Fire Damage Limit (Any One Fire)			100,000
Medical Expense Limit (Any One Person)	OD5-91-54-12	3/7/2012	5,000
Commercial Property Declaration			
Buildings (90% Coinsurance, \$500 Ded)			8,133,628
Personal Property			1,604,623
Property in open-building			74,020
Property Off Premise/In Transit (\$250 Ded)	0A5-91-54-12	3/7/2012	50,000
Workers Compensation and Employer Liability			
Bodily Injury by Accident (each accident)			500,000
Bodily Injury by Disease (policy limit)			500,000
Bodily Injury by Disease (each employee)	0H5-91-54-12	3/7/2012	500,000
Vehicle Fleet Coverage			
Liability			
Combined Bodily Injury/Property Damage			1,000,000
Medical - Each Person			2,000
Uninsured Motorists			1,000,000
Underinsured Motorists			1,000,000
Comprehensive (\$100 Ded)			A.C.V.
Collision (\$250 Ded)	0E5-91-54-12	3/7/2012	A.C.V.
School Leaders Errors and Omissions			
Each Loss			1,000,000
Aggregate for each Policy Term Liability Limit (\$1,000 Ded)	0K5-91-54-12	3/7/2012	1,000,000

Unified School District No. 387
Altoona, Kansas
Fidelity Bonds of Officers and Employees
June 30, 2010

Schedule 2

<u>Name</u>	<u>Bond Number</u>	<u>Expires</u>	<u>Amount</u>
<u>Western Surety Company</u>			
Public Employees Blanket Bond	58144074	Indefinite \$	5,000
Treasurer's Position Schedule Bond	58456374	7/1/2011	20,000